

One Hundred Fourth Congress  
of the  
United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Wednesday,  
the third day of January, one thousand nine hundred and ninety-six*

An Act

To enhance fairness in compensating owners of patents used by the United States.

*Be it enacted by the Senate and House of Representatives of  
the United States of America in Congress assembled,*

**SECTION 1. JUST COMPENSATION.**

(a) AMENDMENT.—Section 1498(a) of title 28, United States Code, is amended by adding at the end of the first paragraph the following: “Reasonable and entire compensation shall include the owner’s reasonable costs, including reasonable fees for expert witnesses and attorneys, in pursuing the action if the owner is an independent inventor, a nonprofit organization, or an entity that had no more than 500 employees at any time during the 5-year period preceding the use or manufacture of the patented invention by or for the United States. Notwithstanding the preceding sentences, unless the action has been pending for more than 10 years from the time of filing to the time that the owner applies for such costs and fees, reasonable and entire compensation shall not include such costs and fees if the court finds that the position of the United States was substantially justified or that special circumstances make an award unjust.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to actions under section 1498(a) of title 28, United States Code, that are pending on, or brought on or after, the date of the enactment of this Act.

*Speaker of the House of Representatives.*

*Vice President of the United States and  
President of the Senate.*